

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

In re:	)	Chapter 11
	)	
PCS FINANCIAL CORP.,	)	Case Nos. 08-30930
	)	Case Nos. 08-30934
In re:	)	
	)	
PRIME ACCEPTANCE CORP.,	)	Judge Hollis
	)	
Debtors/Debtors-in-Possession.	)	

**NOTICE OF MOTION**

TO: See Attached Service List

PLEASE TAKE NOTICE that on the 27<sup>th</sup> day of September, 2011, at the hour of 10:00 a.m., or as soon thereafter as counsel can be heard, I shall appear before the Honorable Pamela S. Hollis, Bankruptcy Judge, in room 644 of the United States Bankruptcy Court in the Everett McKinley Dirksen Federal Building, 219 South Dearborn Street, Chicago, Illinois, or before any other Judge who may be sitting in her place and stead and shall present the **Motion for Allowance of Final Compensation to Debtors' Financial Advisor**, a copy of which is attached hereto and herewith served upon you, and shall pray for the entry of an Order in compliance therewith.

AT WHICH TIME and place you may appear if you so see fit.

/s/David K. Welch  
Crane, Heyman, Simon, Welch & Clar  
135 S. LaSalle St., Suite 3705  
Chicago, Illinois 60603  
(312) 641-6777

**CERTIFICATE OF SERVICE**

The undersigned, being first duly sworn on oath deposes and states that a copy of the foregoing Notice and Motion was caused to be served via First Class Mail properly addressed and postage prepaid to all parties with an asterisk (\*) and a copy of the Notice regarding the fee hearing was served upon all parties on the attached service list, on the 6<sup>TH</sup> day of September, 2011, before the hour of 5:00 p.m.

/s/David K. Welch

**SERVICE LIST**

PCS Financial Corp. and Prime Acceptance Corp.

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IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

In re:	)	Chapter 11
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PCS FINANCIAL CORP.,	)	Case Nos. 08-30930
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PRIME ACCEPTANCE CORP.,	)	Judge Hollis
	)	
Debtors/Debtors-in-Possession.	)	

**MOTION FOR ALLOWANCE OF FINAL COMPENSATION TO  
DEBTORS' FINANCIAL ADVISOR**

PCS FINANCIAL CORP. ("PCS") and PRIME ACCEPTANCE CORP. ("Prime"), Debtors and Debtors in Possession herein, by and through their Attorneys, make their Motion pursuant to Section 330 of the Bankruptcy Code for Allowance of Final Compensation to Terry Keating and the firm of Amherst Partners, LLC ("Amherst"), Debtors' Financial Advisor; and in support thereof, state as follows:

**Introduction**

1. On November 13, 2008, the Debtors filed their voluntary petitions for relief under Chapter 11 of the Bankruptcy Code.
2. The Debtors are operating their businesses and managing their financial affairs as Debtors-in-Possession. No trustee, examiner or committee of unsecured creditors has been appointed to serve in these Chapter 11 cases.
3. On December 2, 2008, this Court entered an Order providing for the joint administration of these Chapter 11 cases.

4. By this Motion, the Debtors request an allowance of final compensation in the amount of \$49,244.50 to Amherst for professional services rendered to the Debtors during the period May 1, 2009 through June 30, 2011. Itemizations of the accounting services rendered and expenses incurred during the relevant periods are attached to this Motion as **Exhibits A through C**.

5. Amherst was not allowed any interim compensation during the course of these Chapter 11 cases. However, pursuant to the Order entered by this Court authorizing the Debtors to retain Amherst, the Debtors paid a \$25,000.00 retainer to Amherst which was to be applied to Amherst's final invoice. Furthermore, pursuant to the Order approving Amherst's retention, the Debtors paid Amherst 80% of each monthly invoice upon presentation by Amherst (80% Payments"). The Debtor has paid \$39,395.60 in 80% Payments to Amherst during the course of these Chapter 11 cases. Therefore, there is a balance due to Amherst in the amount of \$9,848.90 which will be paid from the prior Court-approved retainer being held by Amherst. Any unused portion of this retainer will either be refunded to the Debtors or used to pay the post-confirmation fees of Amherst.

6. This Court has jurisdiction over this matter pursuant to 28 U.S.C. Sections 157 and 1334. This matter is a "core" proceeding within the meaning of 28 U.S.C. Section 157(b)(2)(A) and (O).

7. The statutory predicates for the relief requested in this Motion are Section 330 of the Bankruptcy Code and Rules 2002(a) and 2016(a) of the Federal Rules of Bankruptcy Procedure.

**Relevant Factual Background**

8. PCS is an Illinois corporation that is engaged in the business of commercial lending to third parties, which loans are generally secured by the borrowers' accounts receivable and other property. Prime is the wholly owned subsidiary of PCS. Prime is engaged in business as a consumer finance company that purchases credit contracts at less than the face value thereof from retailers that sell products to third party consumers. PCS and Prime operate their businesses from a leased premises at 200 West Jackson Boulevard, Chicago, Illinois. PCS and Prime employ approximately 60 employees at this location. The businesses of PCS and Prime have been in existence since 1953. In 2007, PCS and Prime had combined gross sales in the approximate amount of \$39,377,479.00 (\$11,436,238.00 for PCS and \$27,941,241.00 for Prime) and had combined gross sales as of October 31, 2008, in the approximate amount of \$32,374,814.00 (\$8,180,161.00 for PCS and \$24,194,653.00 for Prime).

9. The Debtors' principal secured creditor is Bank of America which, as of the filing of these Chapter 11 cases, was asserting a secured claim in excess of \$62,000,000.00 secured by liens on virtually all of the Debtors' assets. Within the approximate twelve months preceding the filing of these Chapter 11 cases, the Debtors, in addition to making current interest payments to the Bank, reduced the principal indebtedness due to the Bank by approximately \$24,000,000.00.

10. This Court has entered a series of Orders authorizing the Debtors to use cash collateral and providing for adequate protection of the secured interests of Bank of America. Pursuant to these Cash Collateral Orders, as of June 30, 2011, the Debtors have made post-petition payments to the Bank in the approximate amount of \$4,900,000.00.

11. The Debtors have successfully renegotiated the terms and conditions of extensions of their Finance Agreements with their five (5) major dealers. The renegotiation of the Finance Agreements are major steps toward accomplishing a successful reorganization.

12. The Debtors have also assumed the lease of their business premises pursuant to the prior Order of this Court.

13. On June 28, 2011 this Court entered an Order confirming the Debtors' First Amended Plan of Reorganization ("Plan").

#### **Fees and Expenses of Amherst**

14. On April 29, 2009, this Court entered an Order authorizing the Debtors to retain Amherst as their financial advisor with compensation subject to the prior approval of this Court ("Retention Order"). A copy of this Retention Order is attached to this Motion as Exhibit D.

15. Amherst received a retainer in the amount of \$25,000.00 and will apply such retainer to any allowance of final compensation made by this Court.

16. Amherst's representation of the Debtors during the relevant period has primarily related to the formulation and implementation of an exit strategy from these Chapter 11 cases and the restructuring of the underlying secured debt owed to Bank of America.

17. The professional services rendered by Amherst have been essential to the business operations of the Debtors, as well as to Debtors' compliance with the loan



documents with the Bank and satisfaction of the Debtors' obligations under the Cash Collateral Orders. Furthermore, these professional services have facilitated the Debtors' reorganization efforts in these Chapter 11 cases.

### **Conclusion**

18. Other than as provided in Section 504(b) of the Bankruptcy Code, Amherst has not shared, nor agreed to share, any compensation as a result of these cases with any person, firm or entity. The sole and exclusive source of compensation shall be funds of the Debtors. As of the filing of this Motion, the Debtors have in excess of \$4,900,000.00 in cash on deposit in their accounts.

19. The final compensation sought in this Motion is reasonable compensation for the actual and necessary accounting services rendered based upon the time, nature, extent and value of such professional services. The cost of the professional services rendered for and on behalf of the Debtors is comparable to the cost of similar services in matters other than under the Bankruptcy Code.

20. The final compensation requested is fair, reasonable and warranted under the circumstances.

WHEREFORE, PCS FINANCIAL CORP. and PRIME ACCEPTANCE CORP., Debtor and Debtor in Possession herein, pray for the entry of an Order allowing final compensation to Amherst Partners, LLC in the amount of \$49,244.50, directing that the Court-approved retainer be applied to any final allowance made by this Court and granting such other relief as may be just and appropriate.

Respectfully submitted,

PCS FINANCIAL CORP  
PRIME ACCEPTANCE CORP.,  
Debtors/Debtors-in-Possession

By: /s/David K. Welch

**DEBTORS' COUNSEL:**

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